

Message Text

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ACTION EUR-12

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TO SECSTATE WASHDC IMMEDIATE 4961
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USMISSION NATO BRUSSELS
AMEMBASSY LISBON
USNMR SHAPE
AMEMBASSY PARIS
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S E C R E T SECTION 01 OF 03 BONN 01309

E.O. 11652: GDS
TAGS: MASS MPOL NATO PO GW
SUBJECT: FRG CONTRIBUTION TO PORTUGUESE FORCE
MODERNIZATION

REFS: (A) STATE 13298 DTG 200031Z JAN 77 NOTAL
(B) NATO 310 DTG 200955Z JAN 77 NOTAL

BEGIN SUMMARY: FRG REMAINS RELUCTANT TO AGREE TO
FINANCE THE UPGRADING OF THE M-48A2 WHICH IT IS PREPARED
TO GIVE THE PORTUGUESE . THE DEFENSE MINISTRY AT FIRST
EMPHASIZED HOW DIFFICULT IT WOULD BE TO GET THE
BUNDESTAG TO APPROVE THE FRG FINANCING THE UPGRADING
WHEN HALF THE GERMAN ARMY IS STILL EQUIPPED WITH THE
M-48A2. THE FOREIGN OFFICE, FOR ITS PART, ATTEMPTS
TO SHOW THAT ONE OF THE US ARGUMENTS WHY WE

SHOULD NOT PAY FOR THE UPGRADING ALSO APPLIES TO THE
FRG: I.E., IT ARGUES THAT WERE THE FRG TO PAY FOR
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THE UPGRADING, MONEY WOULD NOT BE AVAILABLE TO PAY FOR
OTHER EQUIPMENT WHICH THE FRG IS PREPARED TO PROVIDE
THE PORTUGUESE ARMY. BUT THE FACT THAT BOTH MINISTRIES
ASKED FOR MORE DETAILS CONCERNING PRICE AND MODALITIES
COULD INDICATE A SOMEWHAT MORE FLEXIBLE FRG ATTITUDE
THAN THEY TOOK INITIALLY. END SUMMARY.

1. IN ORDER TO CARRY OUT THE INSTRUCTIONS CONTAINED REFTEL, EMBOFF CALLED ON MAJOR GENERAL BRANDT, CHIEF OF POLITICAL/MILITARY AFFAIRS, FEDERAL MINISTRY OF DEFENSE, AND ON DR. FREDO DANNENBRING, COUNTRY DIRECTOR FOR NATO AFFAIRS IN THE FOREIGN OFFICE. HE DREW ON THE ARGUMENTS CONTAINED IN REFTEL AND PREVIOUS GUIDANCE AND LEFT NON-PAPERS CONTAINING THE POINTS MADE IN PARAGRAPH 3. THE DISCUSSION WITH BRANDT LASTED ALMOST AN HOUR AND A HALF WHILE THAT WITH DANNENBRING WAS SOMEWHAT SHORTER. BOTH MEN ARE OBVIOUSLY WELL INFORMED ON PORTUGUESE FORCE MODERNIZATION PROBLEMS AND THE GERMAN GOVERNMENT APPEARS TO BE MOVING FORWARD WITH ITS CONTRIBUTION TO THE PROGRAM.

2. BRANDT REPLIED TO OUR DEMARCHE BY NOTING THAT THE CHIEF OF THE FRG'S ARMY SURVEY TEAM WOULD BE LEAVING THIS WEEKEND FOR PORTUGAL WHERE HE WOULD MEET HIS AMERICAN COUNTERPART ON JANUARY 24. AS FURTHER EVIDENCE OF FRG MOMENTUM, BRANDT NOTED THAT THE FEDERAL SECURITY COUNCIL IS SCHEDULED TO MEET FEBRUARY 2 TO APPROVE FRG PARTICIPATION IN THE PORTUGUESE FORCE MODERNIZATION PROGRAM. APPROVAL BY THE COUNCIL WILL ALLOW THE GOVERNMENT TO GO TO THE BUDGET AND FINANCE COMMITTEES OF THE BUNDESTAG. ONCE COMMITTEE APPROVAL HAS BEEN OBTAINED, MONEY CAN AND WILL BE OBLIGATED.

2. BRANDT WENT ON TO INDICATE THAT THIS SCHEDULE MEANS THAT THE FRG WILL PROBABLY SUGGEST HOLDING THE BILATERAL US-FRG DISCUSSIONS ON THE DETAILS OF A

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PORTUGUESE PROGRAM DURING THE FIRST WEEK IN FEBRUARY. THE FMOD CONTINUES TO PREFER THAT THESE BILATERAL DISCUSSIONS BE HELD IN NATO SO AS TO FACILITATE LATER DISCUSSIONS WITH OTHER MEMBERS OF THE AD HOC GROUP.

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3. BRANDT NOTED THAT GENERAL WUST, INSPECTOR GENERAL OF THE FEDERAL ARMED FORCES (EQUIVALENT TO CHAIRMAN OF THE JCS), WILL BE MEETING WITH GENERAL MERY OF FRANCE ON FEBRUARY 7. BRANDT HAS RECOMMENDED THAT WUST BRING UP THE PORTUGUESE FORCE MODERNIZATION PROGRAM WITH HIS FRENCH COLLEAGUE. EVEN IF WUST DOES SO, BRANDT FORESEES AT BEST A UNILATERAL FRENCH AID PACKAGE OPTICALLY NOT TIED TO THE NATO PROGRAM.

4. BRANDT REACTED NEGATIVELY TO THE SUGGESTION THAT THE FRG PAY FOR UPGRADING THE M-48A2 TANKS TO M-48A5 LEVEL. HE NOTED THAT ALL OF THE ARMORED INFANTRY DIVISIONS OF THE BUNDESWEHR ARE CURRENTLY EQUIPPED WITH THE M-48A2 TANK. HE POSED THE RHETORICAL QUESTION OF HOW MINISTER LEBER COULD ASK THE BUNDESTAG TO PAY TO UPGRADE EQUIPMENT MEANT FOR PORTUGAL TO A HIGHER
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STANDARD THAN THE EQUIPMENT NOW IN USE BY THE BUNDESWEHR. BRANDT WENT ON TO CLAIM THAT IN ANY CASE THERE WAS NO URGENCY IN PROVIDING THE PORTUGUESE ARMED FORCES WITH THE M-48A5 VERSION OF THE TANK. THEIR MAJOR PROBLEMS, ACCORDING TO BRANDT, LAY IN THE FIELDS OF ORGANIZATION AND TRAINING RATHER THAN IN A LACK OF MODERN EQUIPMENT. IT SHOULD BE POSSIBLE TO PROVIDE THE PORTUGUESE WITH THE M-48A2 AND CONSIDER AT A LATER DATE WHEN -- AND IF -- THE PORTUGUESE ARMED FORCES NEED SOMETHING MORE MODERN, BRANDT SAID.

5. EMBOFF DREW ON REFTTEL AND PREVIOUS GUIDANCE, NOTING

THE PSYCHOLOGICAL IMPORTANCE TO PORTUGAL OF GETTING MODERN EQUIPMENT. HE ALSO EMPHASIZED THAT WERE THE US TO PAY FOR THE UPGRADING, WE COULD NOT SUPPLY OTHER ITEMS NEEDED BY THE BRIGADE. BRANDT'S OFF-HAND REACTION WAS THAT IT WOULD BE BETTER FOR THE FRG TO PROVIDE SOME OF THE EQUIPMENT WHICH THE US WOULD OTHERWISE HAVE PROVIDED THAN FOR THE FRG TO PAY FOR THE UPGRADING OF THE TANK.

6. CONTINUING THE DISCUSSION, BRANDT MADE THE POINT THAT THERE ARE NO GERMAN FACILITIES CAPABLE OF UPGRADING THE TANK TO THE M-48A5 LEVEL. EMBOFF REPLIED THAT HE HAD HEARD FROM US MILITARY SOURCES THAT THIS WAS THE CASE AT LEAST AS FAR AS DIESELIZATION WAS CONCERNED. HOWEVER, THE FRG ITSELF WAS PLANNING TO EQUIP ITS OWN M-48A2'S WITH A 105MM GUN (ADMITTEDLY ONE DIFFERENT THAN THE US USES ON ITS M-48A5'S). BRANDT REPLIED THAT THIS GUN UPGRADING PROGRAM WAS STILL IN THE FUTURE. EMBOFF NOTED THAT EVEN IF THE UPGRADING WERE TO BE DONE AT USAREUR FACILITIES IN MAINZ, THIS DID NOT NECESSARILY MEAN THAT THE USG HAD TO PAY FOR THE PROGRAM.

7. BRANDT AGREED AND THEN ASKED THE EMBASSY TO PROVIDE
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ANSWERS TO SOME DETAILED QUESTIONS SO HE COULD BRIEF MINISTER LEBER. THESE QUESTIONS ARE:

(1) HOW MUCH WOULD IT COST TO UPGRADE EACH M-48A2 TO THE M-48A5 LEVEL? EMBOFF REPLIED THAT HE HAD UNOFFICIALLY BEEN TOLD THAT IT WOULD COST ABOUT \$200,000. PER UNIT BUT THAT HE WOULD CONFIRM THIS FIGURE.

(2) DID THE US EXPECT THE FRG TO:

(A) PAY ONLY FOR THE MATERIAL AND CONVERSION KITS;

(B) ALSO PAY THE US SOLDIERS AT MAINZ FOR DOING THE WORK; AND

(C) ALSO PAY FOR THE TRANSPORT OF THE MATERIAL AND CONVERSION KITS FROM WHEREVER THEY ARE PROCURED?

8. THE GENERAL NOTED THAT IT WOULD PROBABLY BE IMPOSSIBLE TO GET THE BUNDESTAG TO AGREE TO PAY FOR THE TRANSPORTATION AND EXTREMELY DIFFICULT TO GET IT TO PAY

FOR THE LABOR. (EMBASSY COMMENT: SINCE BRANDT DID NOT SAY IT WOULD BE EQUALLY DIFFICULT TO GET THE BUNDESTAG TO AGREE TO PAY FOR THE MATERIAL AND CONVERSION KITS, WE ASSUME THAT HE FELT THIS MIGHT BE POSSIBLE. END COMMENT)

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9. DISCUSSIONS WITH DR. DANNENBRING AT THE FOREIGN OFFICE GENERALLY CONFIRMED BRANDT'S POSITION WITH CERTAIN NUANCES. ONE SUCH MINOR DIFFERENCE OCCURRED WHEN EMBOFF NOTED THAT WERE THE US TO PAY FOR UPGRADING THE M-48A2, US MONEY WOULD THEN NOT BE AVAILABLE FOR OTHER EQUIPMENT NEEDED BY THE BRIGADE. TO THIS DANNENBRING REPLIED THAT THE FRG WAS IN THE SAME POSITION: WERE THE FRG TO PAY FOR UPGRADING THE TANKS, FRG MONEY WOULD NOT BE AVAILABLE FOR EQUIPMENT WHICH THE FRG WAS OTHERWISE PREPARED TO PROVIDE.

10. LIKE HIS MILITARY COLLEAGUE, DR. DANNENBRING WAS INTERESTED IN FINDING OUT THE COST OF UPGRADING THE

M-48A2'S. WE PROMISED TO OBTAIN THE FIGURES FOR HIM.
SPEAKING PERSONALLY, DANNENBRING SAID HE COULD FORESEE
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A COMPROMISE SOLUTION WHEREBY THE US SUPPLIED THE
MATERIAL AND CONVERSION KITS AT NO OR NOMINAL COST
WHILE THE FRG PROVIDED THE LABOR FOR THE CONVERSION.
(EMBASSY COMMENT: WE BELIEVE BRANDT WAS THINKING MORE
IN TERMS OF THE FRG PAYING FOR THE MATERIAL AND
CONVERSION KITS WITH THE US SUPPLYING THE LABOR WHILE
DANNENBRING'S OFF-HAND CONCEPT WAS THE REVERSE. BOTH,
HOWEVER, SUGGEST FRG READINESS TO DISCUSS THE PROBLEM
CONSTRUCTIVELY. END COMMENT). ANOTHER POSSIBILITY
DANNENBRING MENTIONED WAS THAT THE PORTUGUESE MIGHT BE
GIVEN M-48A2'S THIS YEAR WITH THE PROMISE THAT THEY
WOULD BE EITHER UPGRADED TO M-48A5 LEVEL OR REPLACED BY
M-48A5'S AT A LATER TIME.

11. DANNENBRING'S CHIEF REACTION TO OUR NON-
PAPER WAS THAT PROBLEMS OF THIS KIND SHOULD BEST BE
DISCUSSED BY EXPERTS AT NATO. WHILE AGREEING THAT
DISCUSSIONS BY EXPERTS WERE CERTAINLY NECESSARY, EMBOFF
MADE THE POINT THAT IT WAS USEFUL TO SURFACE MAJOR
PROBLEMS SUCH AS THIS BEFORE THE EXPERTS MET. THUS THE
EXPERTS COULD HAVE THE BENEFIT OF GUIDELINES FROM
THEIR SUPERIORS BEFORE THEY GOT TOGETHER WITH
THEIR NATO COLLEAGUES.

12. ACTION REQUESTED; THE DEPARTMENT IS REQUESTED TO
PROVIDE THE EMBASSY WITH THE ANSWERS TO THE FRG'S
QUESTIONS: I.E., THE COST PER UNIT OF UPGRADING THE
TANK AND ALSO WHAT THE US MEANS WHEN WE EXPRESS THE HOPE
THAT "THE FRG WOULD BEAR THE ENTIRE COST OF UPGRADING
THE TANKS."
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